

DECISION MEMORANDUM

TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: NEIL PRICE
DEPUTY ATTORNEY GENERAL

DATE: JANUARY 29, 2010

SUBJECT: AVISTA'S REQUEST FOR A 90-DAY EXTENSION OF THE COMMISSION APPROVED WAIVER OF IDAPA 31.21.01.311.03 AND 311.04 (UTILITY CUSTOMER RELATIONS RULES) FOR ITS REMOTE DISCONNECT AND RECONNECT PILOT PROGRAM, CASE NO. AVU - E-07-09

PROCEDURAL BACKGROUND

On August 31, 2007, Avista Corporation ("Avista" or "Company") filed an Application seeking approval to implement a pilot program for the remote disconnection and reconnection of customers to its system. Avista also requested a limited waiver of Utility Customer Relations Rule 311.03 and 311.04 (IDAPA 31.21.01.311.03 and 311.04) related to the final customer notification prior to disconnection. The Company requested that its Application be processed through Modified Procedure. IDAPA 31.01.01.201-.204.

On September 19, 2007, the Commission issued a Notice of Application and Notice of Modified Procedure, establishing a deadline for the submission of comments and/or protests. Commission Staff filed comments supporting the Company's Application. The American Association of Retired People, Idaho ("AARP") filed comments opposing the Company's Application. Likewise, the Community Action Partnership Association of Idaho ("CAPAI") filed comments opposing approval of the Company's Application as well as the Commission's use of Modified Procedure. Additionally, CAPAI requested that the Commission convene a technical hearing and order a workshop regarding the Company's proposal.

On December 4, 2007, the Commission deferred judgment on the Company's Application and ordered workshops to further refine and develop details of the pilot program. *See* Order No. 30471.

On March 27, 2008, a public workshop was held at the Commission's office in Boise during which the parties reached a tentative agreement on most issues. Representatives from Avista, Commission Staff, CAPAI and AARP attended the workshop. At the conclusion of the workshop, participants agreed to continue working informally on the issues of customer notification and identification of the data to be collected during the course of the pilot.

On April 28, 2008, Avista submitted its Revised Application pursuant to Order No. 30471. The Revised Application incorporated certain changes to the pilot program agreed to during the March 2008 public workshop as well as subsequent correspondence between the parties.

On July 30, 2008, the Commission approved Avista's Application to implement an 18-month pilot program and ordered that, upon completion of the pilot program, the Company shall prepare "a detailed report with the Commission documenting its findings. . . ." Order No. 30603 at 10.

On January 28, 2010, Avista submitted a letter to the Commission requesting that its limited waiver of IDAPA 31.21.01.311.03 and 311.04 (Utility Customer Relations Rules) granted for the purpose of implementing its remote disconnect and reconnect program be extended until April 30, 2010 while the Company compiles the Commission-mandated report documenting the results of the pilot program.

AVISTA'S REQUEST FOR A WAIVER EXTENSION

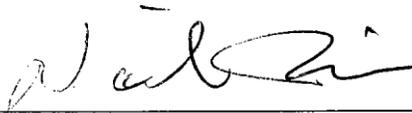
Avista notes in its letter to the Commission that "the 18-month pilot program is set to expire on January 30, 2010" and that the Commission ordered the Company to "prepare and file a detailed report with the Commission documenting its findings and utilizing the data identified in its Revised Application, as well as any other useful and relevant data which could be used to assess the effectiveness of the remote disconnect and reconnect program in reducing the Company's overall operating costs, enhancing employee safety or improving the quality of service to its customers." Order No. 30603.

Pursuant to this Commission requirement, “Avista requests 90 days to complete and report on the results of the pilot program. The Company intends to complete its study and file it with the Commission no later than April 30, 2010.”

Meanwhile, the Company requests that it be allowed to “continue the terms of the pilot as the documentation is being prepared, [including] the limited waiver of the above mentioned rule for the customers that are currently participating in the pilot and the 50% reduction in disconnect fees until such time that the Commission has had the opportunity to assess the effectiveness of the remote disconnect and reconnect program.”

COMMISSION DECISION

Does the Commission wish to approve Avista’s request for a 90-day extension of the Commission-approved waiver of UCRR Rules 311.04 and 311.05 while the Company prepares a detailed report documenting the results of its Remote Disconnect and Reconnect Pilot Program?



Neil Price
Deputy Attorney General

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